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THE Agricultural Situation

OCTOBER 1952

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Outlook Highlights

. . . OCTOBER 1952

GENERAL economic conditions improved in August and September as output, employment, and incomes rose.

Steel-using industries got back to more nearly normal production as the steel industry rapidly restored operations . . . Steel industry increased output from 18 percent of capacity in July to nearly 100 percent in the first week of September . . . Retail trade increased and the increasing volume of sales extended into September. Wholesale prices weakened in September after rising gradually from June to mid-August.

Record Farm Output

Despite reduced prospects for cotton and a few other crops, most late growing crops improved during August and the all-crop volume was indicated on September 1 very close to the second largest of record . . . nearly the same as in 1949 and 4 percent below the record volume reached in 1948. When livestock and products are added to crops, total farm output this year is expected to top all previous years.

Farm Income

Because of higher production costs this year, farmers' realized net income may average a little lower this year than last. Cash income from marketings first 9 months of this year totaled 22.2 billion dollars. This was up about 2 percent from a year ago, prices being a little lower but with more products sold. On the other hand, prices paid by farmers for production items (including interest, taxes, and wage rates) averaged 3 percent higher than in the first 9 months of 1951.

Production of Grains

Total grain production this year—4 feed and 4 food—was indicated in Sep-

tember at 159 million tons compared with 146 million a year ago and the 1941-50 average of 151 million tons.

Food Grains Near Record

This year's big wheat crop and the record rice crop assure a near record tonnage of food grains. Total output of food grains, September estimate, would top the 1935-39 average by about 65 percent and would be nearly a third larger than last year's output.

Feed Grain Production

The nearly 117 million tons of feed grains in prospect September 1 will top a year ago by about 3 million tons. The prospective tonnage for this year is larger than in most years prior to 1948 but less than in '48, '49 and '50.

(Continued on page 8)

Feed Hints for Drought Areas

STOCK owners in drought areas can prevent stunted growth, and maintain health and weight of young beef calves by feeding enough protein, mineral, and carotene (such as alfalfa meal or hay, and grass and silage) even though the supply of hay or other roughage is greatly limited. Calves kept in good health on rations that are not below the maintenance level will later grow rapidly and economically when given liberal feed allowances.

This has been proved in feeding experiments conducted by the Bureau of Animal Industry, United States Department of Agriculture, at Beltsville, Md.

As the source of protein, minerals, and carotene will vary in different regions, stockmen should consult their county agent or livestock specialist concerning the most practical feeds to use.

Price Supports for Next Year's Wheat, Rye, and Feed Crops

PRICE-support programs again will be used in 1953 to stimulate high level production of many agricultural commodities. While the total 1952 crop production is expected to be relatively large, there again will be need for high level production of a number of commodities, principally the feed grains, to provide for current needs and replenish reserve stocks.

Support levels for six major crops had been announced through mid-September. Levels for additional crops will be announced later in accordance with the Department's policy of announcing crop support levels, insofar as practical, before planting time. Advance announcement enables farmers to properly plan their production. Farmers thus know the minimum price they can expect to receive for their crop, regardless of market conditions, if they elect to participate in price support.

First 1953 crop announcement covered wheat. Wheat prices will be supported in 1953-54 at not less than a United States average price of \$2.21 per bushel, compared with \$2.20 for 1952-53. This level will be increased if 90 percent of parity on July 1, 1953 (the start of the marketing year) is above \$2.21. Under the recently enacted amendments to the Agricultural Act of 1949, the 1953 and 1954 crops of wheat and other basic commodities (corn, cotton, rice, peanuts and tobacco) must be supported at 90 percent of parity, except when producers have disapproved marketing quotas.

Flaxseed, source of our major drying oil, will be supported in 1953-54 at 80 percent of parity as of September 1, 1952, the same percentage used in 1952-53. Since parity currently is slightly higher than a year ago, the 1953 crop national average support level for flaxseed grading number 1, will be \$3.79 per bushel, compared with \$3.77 for the 1952 crop.

Supports Higher for Feed Grains

Oats, barley, rye, and grain sorghums, which represent an important part of the total feed supplies needed for continued high level production of meat, milk and other livestock products, also are being supported at slightly higher levels than in 1952. Price support for these feed grains is discretionary rather than mandatory under the law but is being continued to obtain balanced production of feed grains.

Consumption of feed grains in recent years has exceeded production, making it necessary to dip into reserves. These reserves have dropped to levels which are considered undesirably low in view of the current and prospective rate of livestock production. In establishing the 1953 crop support level, consideration was given to proper price relationships with corn, the leading feed grain, which must be supported at 90 percent of parity in 1953-54. The 1953 crop national average support prices, which represent 85 percent of parity as of September 1, 1952, are: oats, \$0.80 per bushel; barley, \$1.24; rye, \$1.43; and grain sorghums, \$2.43 per hundredweight.

Price support programs for these six commodities have been announced for a number of years. The first wheat program was started in 1938; rye, 1939; barley and grain sorghums, 1940; flaxseed, 1941; and oats, in 1945.

Price support methods will be the same as those used in 1952, namely, nonrecourse farm storage and warehouse storage loans and purchase agreements. The financial assistance provided by loans, and the assurance of a guaranteed outlet under purchase agreements, have made it possible for farmers to market their crops in an orderly manner over the course of the marketing season.

Sidney N. Gubin
Production and Marketing Administration

A Letter TO CROP REPORTERS

WELL, I should have had better sense than to go on record with my formula about how you can tell a Washington home owner. A fellow came up to me the other day, held out his hands and said, "Would you take me for a Washington home owner who has a good lawn?" I took a good look and there were no crabgrass calluses so I said "No." "Well," he replied, "I am and I do have a good lawn but I use superduper crabgrass killer." I'm going to get some of that stuff, it must be good.

Now that just goes to show you what we are always up against in this business of estimating production. Just when you think you have something all tied down, up comes something that throws you off. Take, just as an example, hybrid corn. When that came along we found that we had to ask our reporters a question on the kind of corn being planted so we could take into account the higher yielding characteristics of hybrids. The same sort of thing happens in about every item we deal with. New varieties, new breeds, all sorts of developments have to be watched. Turkeys aren't just turkeys anymore, you have to know whether they are light or heavy breeds. And so it goes, something new has been added almost everywhere you turn.

I'm not griping about it, however. Because it really makes the job interesting, and it is good to look back and see the progress that is revealed in the statistics.

Just a few weeks ago I had a chance to get out into Alabama and see the great development that has taken place in the cattle industry. It was about 14 years ago that I had the privilege of working with the State Department of Agriculture in getting livestock market news started there in conjunction with an office at Thomasville, Ga., and I want you to know that program is surely going over. I was particularly

impressed with the swell job Frank Stewart, the Commissioner of Agriculture, and Roquemore, in charge of Market News, are doing. Well sir, that development in livestock has really made a new job for us in making our livestock estimates, but we like it. And right here I want to remind you fellows out in the "cattle country" that if you haven't already, you would do well to keep your eye on the livestock statistics for that whole Southeastern area.

All of these developments point up a couple of things that seem to me to be important.

First off is the fact that if a fellow doesn't keep up with the developments in his line of work he can really get into a bad spot pretty quick, and I don't know any better way to watch developments than through your own crop and livestock estimating service.

Another thing that is important is to remember that if we, here in Washington, are going to keep up with developments that you are making we have to ask about them. I get a letter every now and then complaining about the length of the questionnaire. Well, we try to keep them as short as possible and at the same time include the important questions. We always say you are not asked to report on any items except those that are pertinent to your own operations. But please don't get mad with us because a question on the schedule does not exactly fit your own farm or might not be particularly related to your immediate area. We can't afford to print a questionnaire for each small area, so we just naturally have to include some questions that don't apply to everyone.

Help yourself to better reports. Answer any question you can that relates to your operations and let the rest go.

S. R. Newell, Chairman
Crop Reporting Board, BAE

Irrigation Opens Way for More Livestock in Corn Belt

Livestock Feeding May Provide Profitable Use For Increased Yields of Feed Grains

MANY irrigation farmers in the western Corn Belt could profit by increasing their livestock production so as to market a larger share of their grain in that form. This is made clear by a recent study of irrigated farms in 19 counties in central Nebraska. The study was conducted cooperatively by the Nebraska Agricultural Experiment Station and the Bureau of Agricultural Economics.

Many farmers in this area have increased their numbers of livestock since they began to irrigate. Irrigation has opened the way for a large increase in feed grain production, making a further expansion of livestock feasible on many farms.

Could Support More Cattle

In general, irrigated farms in this area are carrying considerably more cattle and hogs than other farms. However, further expansion would be practicable, especially on farms where a large proportion of the feed grains are now sold.

Numbers of livestock per farm vary widely as revealed by a study of 296 irrigated farms in the same general area. A tenth of those farms had no grain consuming livestock; all grain they produced was sold for cash. About half the farms had just a little livestock, from 1 to 10 animal units for each 100 acres in feed grains; another fifth had 10 to 20 animal units for each 100 acres of feed grains. Thus three-fourths of the farms had 20 or fewer animal units per 100 acres in feed grain. None of these farms may be considered as fully stocked. To be fully stocked, a farm

would have to carry about 50 animal units of grain-consuming livestock per 100 acres used for production of feed grain.

That numbers of livestock were low is evident from the proportion of feed grain production available for sale. On farms with an average of only 6 animal units per 100 acres, 90 percent of the feed grain was being sold. On farms with 16 animal units, 72 percent of the feed was sold. But on farms with an average of 56 animal units per 100 acres, practically no feed grain was available for sale.

Will It Pay?

The stage is set for increased production of livestock, but those who choose to feed must face the question, "Will it pay better to feed the grain than to sell it for cash?" The answer may be *yes* one year and *no* the next. In the long run some farmers will profit from feeding but others will lose money. Each farmer individually must decide for himself whether to feed or to sell grain for cash, depending upon his preference, his personal ability to handle livestock, and his skill in buying and selling.

The margin of profit a farmer could expect, under average prices, can be indicated with budgets for a typical 240-acre farm. (See table, next page.)

The first budget shows the net return when most of the feed grain is sold for cash. In this example, cash grain represents 70 percent of the income. The farm now carries only 10 cows, 9 young stock and feeders, 3 litters of hogs and 150 hens. The second budget shows the net return when all the feed grains are used on the farm. The number of

A Cash-Grain Farm and A Livestock Farm Compared

in Terms of Organization and Net Returns

ITEM	CASH CORN, LITTLE LIVESTOCK	LIVESTOCK— CALVES GRAINED ON IRRIGATED PASTURE
Irrigated crops:	<i>Acres</i>	<i>Acres</i>
Corn.....	50	50
Oats and clover.....	25	25
Alfalfa hay.....	29	16. 5
Brome-alfalfa pasture.....		12. 5
Dryland crops:		
Corn.....	42	42
Oats.....	21	21
Native pasture.....	73	73
Total farm.....	240	240
Livestock:	<i>Number</i>	<i>Number</i>
Cows.....	10	10
Young stock and feeder cattle.....	9	50
Litters of hogs.....	3	9
Hens.....	150	150
Return to labor and management of operator and family:		
Based on 1923-42 prices.....	\$957	\$1,948
Based on 1945-50 prices.....	\$3,146	\$6,756

young stock and feeder cattle is increased to 50 and the litters of hogs raised are increased to 9. Ninety-six percent of the income is from livestock. The farmer and his family would have about \$1,000 greater net return under system 2, assuming average prices and costs prevailing from 1923 to 1942. Under the much higher price level of 1945-50, this margin would increase to

\$3,600. During the latter period, price margins between feeder cattle and fat cattle were above average.

This favored position of fat cattle over feeders, as well as higher cattle prices, accounts for a good deal of the increase in income, compared with the income before World War II.

T. S. Thorfinnson
Warren R. Bailey

Bureau of Agricultural Economics

Ups and Downs of Sheep Ranching in the Northern Great Plains

SHEEP and cattle ranches are important in the agricultural economy of the Northern Great Plains. About two-thirds of the farms and ranches in this area keep range livestock, and in 1945 about one-third of these ranches had sheep. During the last several years the number of sheep ranches has declined, primarily because of the high prices of beef cattle relative to prices of sheep, lambs, and wool, and the shortage of experienced labor for herding sheep.

About three-fourths of all sheep ranches in the area are the commercial family operated type. A study of how well these family operated sheep ranches have fared in the last two decades was made cooperatively by the Montana Agricultural Experiment Station and the Bureau of Agricultural Economics.

1,000 Sheep Per Family Ranch— Incomes Up and Down

The average family operated sheep ranch normally carries over from one year to the next about 1,000 to 1,100 sheep. During the 21 years covered by the study the number has varied from about 900 sheep following the severe drought of 1936, which forced heavy liquidations, to more than 1,300 sheep carried over into 1934. This large number was the result of 2 years of high production and declining prices. When prices fall, ranches tend to hold back marketable livestock as long as possible.

From 1930 to 1938, net returns to the rancher and his family for labor and management averaged only \$125 a year. During this same period an average of \$1,670 per year was charged for the use of capital. On that part of the capital owned by the rancher, the interest, or capital charge, is available to the operator as current income, in addition to the return for labor and management.

The period from 1939 to 1943 was especially favorable for sheep ranchers. Production and prices received were

rising faster than costs. Net ranch income more than doubled, and returns to operators and their families averaged \$3,488 a year compared with \$125 a year during the preceding 9 years. Prices of items used in family living were rising too, but a dollar still bought about 86 percent as much as it did in the 5-year period immediately preceding.

From 1944 to 1948 net ranch income continued to rise but at a slower rate. Because of greater investments, and consequently higher charges for the use of capital, the returns to operator and family labor and management rose at an even slower rate. In terms of buying power, these returns averaged 4 percent less than in 1939-43 and nearly 40 percent below the 1942 peak.

The year 1949 was a disastrous one for sheep ranchers in the Northern Great Plains. A severe winter, which caused a high death loss and small lamb crop, followed by a dry summer, cut net ranch production to the lowest point since 1940. Heavy feeding required during the winter increased feed costs. This, coupled with lower prices for products sold, put ranchers in the red. Net return to ranchers for labor and management in 1949 amounted to minus \$172. This means simply that net ranch income that year did not cover interest on investment, and left nothing for operator and family labor and management.

With favorable weather and rising prices in 1950 net returns to ranchers rose to the highest point in the 21 years covered by the study.

Briefly, these were the major variations in the returns from sheep ranching. Changes in the physical organization of sheep ranches are much smaller. The size of flock has been limited to the number of sheep one herder could manage on summer pasture. The size of the ranch as measured by acres of land was somewhat larger during the 1940's compared with the early 1930's. Total acres in

ranch varied from less than 3,900 acres in 1930 to more than 5,600 acres in 1943. In addition, grazing on public range provided about 4 percent of the total feed requirements in the last 5 years, compared with only a small fraction of 1 percent in the early 1930's. The proportion of the land owned rose from about 35 percent in the early 1930's to more than 50 percent in 1949 and 1950.

Machinery and equipment on these ranches increased about 70 percent during the same 20-year period. In 1930 only about a third of the ranches had trucks. In 1950, a truck was part of the equipment on nearly every ranch. The number of tractors increased in about the same proportion.

A part of the economic stress to which these ranches have been subjected in the past was due to the fact that the ranches were not well adjusted to the environment, especially in regard to size and tenure of holdings. In meeting problems of adjustment in the future, the knowledge of past trends that is found in the report published by the Montana Agricultural Experiment Station should prove helpful.

James Vermeer
Bureau of Agricultural Economics

Outlook Highlights

(Continued from page 2)

Next Year's Feed Supplies

The 1952-53 feed supply of all feed concentrates, including the grains and byproduct feeds, was estimated in September at about 163 million tons. This is about equal to the 1946-50 average but is 4 percent smaller than in 1951-52. Next year's prospective supply per grain consuming animal is slightly smaller than in 1951-52, also about 8 to 10 percent smaller than in the 3 feeding years 1948-49 through 1950-51.

Livestock and Meat

For the entire fall and winter season, production of meat will continue larger than a year earlier. Beef and veal will provide most of the increase. Less pork will be produced than last year.

Larger cattle and calf marketing this fall than last reflect the greater number on farms, both in feed lots and in pasture. Prices of fed cattle have shown more strength than prices of lower grade steers and heifers. This wider price spread between grades may continue, though a moderate rise for all classes could take place in early winter. Prices of hogs may decline no more than usual and probably will not be much higher than last fall.

Dairy Products

Since stocks of dairy products are below last year, with production lower and demand strong, further price rises for dairy products are likely this fall and early winter. Milk production for the full 12 months of this year is expected to be close to 114 billion pounds. This would compare with 115.6 billion pounds in 1951.

Poultry and Eggs

Egg production this fall is expected to exceed production a year earlier. By the turn of the year, however, output of eggs probably will be down to, or below, year earlier levels. Relatively few replacement pullets were reared from the late-season hatch last spring, and the number of layers on farms next January is likely to be down from a year earlier.

No Increase In Broilers

Broiler prices in August, and through mid-September, have been at about the highest levels of the year to date. Recent sales of hens have been at low prices, in contrast with broiler prices. Because recent chick placements were at relatively low levels, the marketing supply of broilers will not be increased in the next few months. During those months, however, the season of peak marketings of hens will occur, and peak marketings from the record turkey crop will begin.

Feed Prices

Demand for high-protein feeds has been especially strong in recent weeks, holding prices of most of these feeds at the ceiling levels. The price of soy-

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Fruit and Vegetable Crops Across the Nation

A Glance at Principal Production Areas

THE fruits and vegetables grown on this country's farms have an annual farm value of nearly 3 billion dollars. Nearly a tenth of the total cash receipts to farmers from marketings comes from fruits and vegetables.

More than half of the Nation's fruit tonnage is produced on the west coast, mostly in California, 3,000 miles from the big eastern markets. About two-fifths of our fruit tonnage is produced in eastern United States. Less than a tenth comes from the central States. Around three-fifths of our fruit is grown under irrigation. Nearly all the Western production is under irrigation, as is also citrus fruit in Texas. Some orchards in Eastern States are also equipped for irrigation.

Many Statistical Reports on Fruits and Vegetables

The *Bureau of Agricultural Economics* today collects statistics for 8 kinds of vegetables (including melons), 21 kinds of fruits, 5 kinds of tree nuts, and 3 specialty crops—peppermint and spearmint for oil, and hops—making a total of 58 such crops.

Many of the fruit crops differ greatly by varieties, and separate estimates are made for the several varieties. Production is estimated for 18 separate varieties of apples, 3 groups of grape varieties (table, raisin, and wine), 3 classes of oranges, 2 classes of grapefruit, 2 classes of peaches (clingstone and freestone), 2 classes of pears (Bartlett and other), and 2 classes of cherries (sweet and sour).

While fast transportation and modern refrigeration methods have made it possible to produce fruits in areas in which conditions are most favorable, long shipping distances have brought about additional marketing problems, major one being high transportation costs. In meeting this problem growers

have found that they must produce high quality fruit and pack it in containers that will protect it over long shipping distances. Western growers have also found it advantageous to organize cooperative marketing associations for selling their fruits. As a result, the Western States have more cooperatives than any other section. Of course, the higher yields obtained per acre on irrigated lands in the West partly offset the disadvantage of high transportation costs.

Far-Away Producers Have Offsetting Advantages

Growers in the central and eastern parts of the country are nearer the big markets but their production hazards are greater than in the West, where climate is more favorable. Frosts, freezes, poor pollination weather, storms, hurricanes, and droughts offset the growers of the Central and Eastern States. Also, their crops are usually not produced under irrigation and must depend upon natural rainfall. Yields per acre are lower. Small, marginal orchards are rapidly disappearing in Central and Eastern United States and production is becoming more and more concentrated in big, commercial orchards where it is possible to produce at lower costs per unit and maintain a higher quality of fruit.

California and Florida Among Leading Vegetable States

As with fruits, producers of commercial vegetable or truck crops like the areas in which soils and climate are most favorable. The western part of the country is the area of largest production, accounting for more than two-fifths of the Nation's total tonnage grown last year. Farmers in the East-

ern States grew nearly a third of the total and those in the central States about a fourth. California is the leading State in vegetable production, growing about 30 percent of the Nation's total in 1951. Other leaders are Florida, New York, Indiana, New Jersey, Wisconsin, Arizona, Texas, Michigan, and Maryland, ranking in that order. Florida, Arizona, and Texas specialize in the growing of fresh vegetables for the winter market. Others such as Indiana, Wisconsin, and Maryland specialize in producing vegetables for commercial processing. A few States are large producers of vegetables for both the fresh market and commercial processing. The most important of these are California, New York, and New Jersey. Over half the tonnage of commercial vegetables, exclusive of potatoes and sweetpotatoes, is produced under irrigation.

Potatoes the Year Round

Farmers in every State grow potatoes. Therefore, in every month of the year, potato harvest is under way somewhere. The harvest starts in Florida and Texas about the first of the year and moves northward as the season advances.

The States south of Virginia and extending from the Atlantic to the Pacific Ocean (including the southern half of California) produce the *early potato crop*. This is the crop which is harvested and marketed from January through June.

The tier of States extending from the New Jersey-Delaware-Maryland-Virginia area westward through Kansas supply most of the *intermediate crop*, which is harvested from July through September.

The *late potato crop* is produced in the northern States and is harvested mostly in October and November. The late crop makes up over half of the total annual production. A large part of the late potato crop is placed in storage and is the principal source of supply during the winter months. The most important late-producing States are Maine, Idaho, California, New York, and North Dakota, in that order.

Reginald Royston
Bureau of Agricultural Economics

Outlook Highlights

(Continued from page 8)

bean meal mixes advanced during August and early September to over \$100 per ton at Chicago, and prices of tankage and meat scraps increased to the highest level since early this year. The recent strength in feed prices apparently has been partly the result of seasonally smaller supplies of corn, soybean meal, and some other feeds.

Citrus Juices

Total stocks of canned citrus juices will be much lower at the start of the canning season this fall than a year earlier and stocks of frozen orange juice also may be lower.

Fresh Market Truck

Prices received by farmers and retail prices of fresh market truck crops this fall probably will average near the level of last year, and relatively lower than prices in the spring and summer months just past. Prospective production for this fall's market—according to the September 1 report—totals about the same as a year earlier with substantially larger crops of carrots, lettuce, early fall cucumbers, and green peas expected. For these crops, prices may be somewhat lower this fall than last.

Potatoes

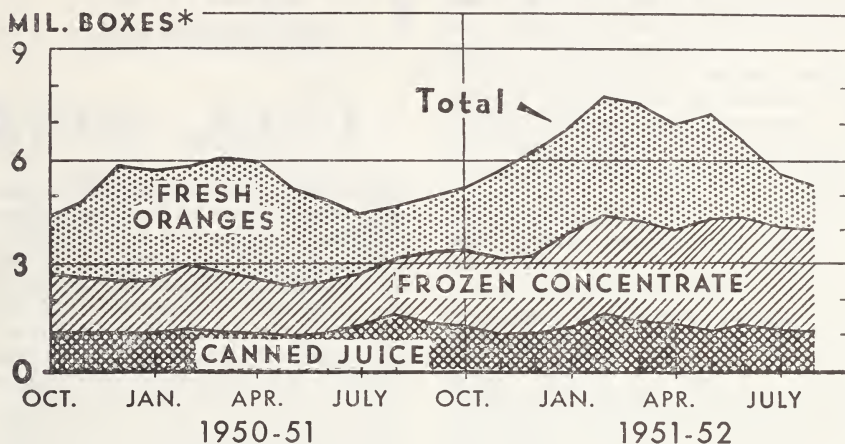
Seasonal decline in potato prices is expected to accompany the peak of harvesting and marketing of potatoes by farmers this fall. Thereafter, however, prices will work upward. Supplies may run a little short toward the end of next spring.

Cotton Supplies

The supply of cotton in the United States during the 1952-53 marketing year is estimated at 16.6 million. This is 800 thousand bales smaller than the supply a year earlier and includes estimated production (as of September 1) of 13,729 thousand running bales, a carry-over of 2,745 thousand, and imports of 150 thousand.

(Continued on page 16)

PURCHASES OF ORANGE PRODUCTS BY CONSUMERS



* FRESH ORANGE EQUIVALENT
SOURCE: NATIONAL CONSUMER PANEL OF MARKET RESEARCH CORPORATION OF AMERICA

U. S. DEPARTMENT OF AGRICULTURE

NEG. 48351-XX BUREAU OF AGRICULTURAL ECONOMICS

CONSUMER purchases of frozen concentrated orange juice are continuing to expand at a rapid rate.

During the summer of 1951 household consumers were purchasing frozen concentrated orange juice at the equivalent monthly rate of about 1.4 million boxes of oranges. During the past year this rate has increased to the point where during the last three months purchases of frozen concentrated orange juice have been equivalent to almost 3 million boxes of fresh oranges each month.

The chart above shows the total purchases of oranges in fresh, frozen concentrate, and canned single-strength, forms each month during the last two years. Widening of the frozen concentrate band indicates the increased importance of frozen concentrated juice as a market outlet for oranges.

If purchases during September and October remain at approximately the levels of the past three months, more oranges will be consumed in the form of frozen concentrate than in the form of fresh oranges for the season ending in September. During the season end-

ing last September, 33 million boxes of oranges were marketed fresh compared with 20 million boxes marketed in the form of frozen concentrated juice. These data refer to household purchases only and do not include purchases by hotels, restaurants, or institutions.

More Juices Used, Cost Lower— Favorable Outlook for Growers

The rapid increase in purchases of frozen concentrated orange juice over the last year has accompanied a drastic reduction in average prices paid by consumers. During the last few months prices paid by consumers have been about 25 percent below those paid in corresponding months a year earlier. These reductions in price have been accompanied by a 91 percent increase in purchases in August 1952 over the same month in 1951. During the period January–August 1952 purchases were double those during the same period in 1951.

During the season just ended Florida concentrators processed about 44 million gallons of frozen concentrated orange juice. California is presently

processing its Valencia crop and expects to produce between 4 and 4½ million gallons of frozen concentrated orange juice. At the present rate of purchases, after estimated institutional purchases are subtracted, supplies will be relatively short toward the end of this year prior to new stocks from Florida coming on the market in mid-January 1953. The position of growers selling fresh and processed fruit in the market should be better at the beginning of the 1952-53 season than was true a year earlier.

The question of how far expansion of frozen concentrated orange juice consumption can go is limited by the amount of cold storage space available in production areas and in close proximity, and the amount of storage space in retail stores, home refrigerators and freezers. Additional factors which would influence the limit of expansion are the relative competitive situation with marketing oranges in fresh and canned single-strength forms and the problem of bringing additional consumers into the market. During the 6-month period October 1951-March 1952 less than 50 percent of the families in the country bought frozen concentrated orange juice. Additional research under way in the Department will assist grower and producer groups in answering some of the questions indicated above.

Shelby A. Robert, Jr.
Bureau of Agricultural Economics

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The consumption data cited in the above article are presented in a series of monthly, quarterly, and annual reports published by the Bureau of Agricultural Economics and the Fruit and Vegetable Branch of the Production and Marketing Administration. A portion of the funds used for this work is provided by fruit industry groups. The published reports on *Consumer Fruit and Juice Purchases* may be obtained by request to the Bureau of Agricultural Economics, Washington 25, D. C., referring to this article.

☆ ☆ ☆ ☆

Outlook Conference October 20-24

BUREAU of Agricultural Economics forecasters have been busy polishing the lenses of their economic telescopes for their annual look into the year ahead. What they see will be the main topic for discussion at the 30th Agricultural Outlook Conference to be held in the South Agriculture Building, Washington, D. C., October 20 to 24. About 150 representatives of State Extension Services are expected to be on hand when the conference opens.

The conference will be opened by M. L. Wilson, Director of Extension Work. First speaker on the program will be Secretary of Agriculture Charles F. Brannan who will discuss "Agriculture's Future." Other speakers on the first day are Robert C. Turner, member of the Council of Economic Advisors; Nathan Koffsky, BAE; John J. Haggerty, Office of Foreign Agricultural Relations, and Frederick V. Waugh, BAE. The general session will continue on Tuesday morning with O. V. Wells, Chief of BAE, and Hazel K. Stiebeling, Chief of Bureau of Human Nutrition and Home Economics, discussing farm and family living costs. Sessions on the various commodities, and on rural family living, will be held from Tuesday afternoon through Thursday morning. Thursday afternoon will be devoted to four regional discussions. Evening sessions on special subjects are scheduled.

D. A. Fitzgerald, Associate Deputy Director, Mutual Security Administration, is the speaker for the outlook dinner to be held at 6:00 p. m. Wednesday, October 22 in the Fourth Wing cafeteria of the South Building. The Get Acquainted Coffee hour will be from 4:15 to 5:30 p. m. on Monday, October 20.

Farm Electrification

North Dakota Style

ON FARMS in many parts of the country, electricity and the things it does have come to be taken for granted. But in some areas electrification of farms is still comparatively new. This is true in rural North Dakota, where most of the progress in farm electrification has come about since the end of World War II.

In January 1945 only about 10 percent of the farms in North Dakota were using central station electric power. By June 30, 1951, nearly 75 percent of the farms in the State had been connected to central station power. It is estimated that approximately 15,000, or 25 percent of the State's farms, were electrified in 1950 alone.

How much electricity do these farms use? What influences the amount of use?

To answer the second question first, in a study made cooperatively by the North Dakota Agricultural Experiment Station and the Bureau of Agricultural Economics in a cash-grain section of the State, it was found that two things had an important effect on the amount of electricity used on the average farm. These were the length of time the farm had been electrified and, not unnaturally the amount of income received by the farmer. A lesser influence was the frugality or liberality of use on individual farms.

From 1940 to 1949, farms electrified *before 1940* increased their annual average consumption of electricity from 1,598 to 5,191 kilowatt-hours. Farms electrified *in 1940* increased their average annual consumption from 1,501 kilowatt-hours in 1941 to 5,419 in 1949.

Farmers whose incomes were high apparently needed more electricity than others. Their farms were larger, they owned more electrical equipment for both farm and household uses; and they were able to pay for more energy.

Farmers with gross incomes of less than \$4,000 used on an average 1,952 kilowatt-hours annually; those grossing more than \$20,000 annually used 7,464 kilowatt-hours. Farmers with the lower income farms spent \$98.91 per year for energy; higher income farms, \$220.39.

Size of family and tenure of farm operator apparently had little to do with the amount of energy used. But individual farms did vary greatly in their use of electricity. The amount of use made of equipment helps to explain these differences. Many farms made below-average use of equipment.

What Are the Main Uses?

The study showed that lighting was the first use made of electricity on all farms. Houses, service buildings, and yards were lighted. As one farmer who was showing a visitor around, said, "We could read in any pig pen if we wanted to."

Next comes equipment—radios, washing machines, irons, refrigerators, food freezers, cream separators, pressure water systems, electric ranges. Radios, washing machines, and irons were found on 96 percent of all farms. More than 97 percent had some form of mechanical refrigeration. Around 87 percent had electric refrigerators. Among the nonhousehold items, cream separators were the most popular.

What proportions of electricity are used for household purposes and what for farm operations?

It was found that in the use of electric energy household purposes had a considerable edge over farm operations. Approximately 86 percent was used for household purposes; only about 14 percent for farm operations.

Now as to the outlook for the future. It is estimated that by 1960 total consumption on these farms will be about 2 or 2½ times that of 1949, and average annual consumption per farm may rise to 6,500 or even to 7,500 kilowatt-hours.

Similar studies of farm electrification have been made in Georgia, Mississippi, Tennessee, Kansas, Wisconsin, Iowa, and Washington. Findings vary, of course, with the different sections of the country.

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Bureau of Agricultural Economics

Prices of Farm Products

[Estimates of average prices received by farmers at local farm markets based on reports to the Bureau of Agricultural Economics. A average of reports covering the United States weighted according to relative importance of district and State]

Commodity	Average		Sept. 15, 1951	Aug. 15, 1952	Sept. 15, 1952	Effective parity prices Sept. 15, 1952 ²
	Base period price ¹	January 1947- December 1949				
Basic commodities:						
Cotton (pound)-----cents	\$ 12.4	31.22	33.73	37.92	39.17	34.47
Wheat (bushel)-----dollars	\$.884	2.14	2.07	2.04	2.09	2.46
Rice (cwt.)-----do	1.95	5.38	4.00	5.35	5.30	5.54
Corn (bushel)-----do	\$.642	1.64	1.65	1.73	1.71	1.78
Peanuts (pound)-----cents	\$ 4.8	10.2	11.0	10.9	11.1	13.3
Designated nonbasic commodities:						
Potatoes (bushel)-----dollars	\$ 1.12	1.60	1.23	2.78	2.22	\$ 1.73
Butterfat in cream (pound)-----cents	26.7	71.2	68.4	72.8	74.3	75.8
All milk, wholesale (100 lb.) ⁶ -----dollars	1.68	4.42	4.67	4.78	5.03	4.77
Wool (pound)-----cents	20.9	46.0	68.5	52.0	50.2	59.4
Other nonbasic commodities:						
Barley (bushel)-----dollars	\$.619	1.37	1.17	1.39	1.43	\$ 1.46
Cottonseed (ton)-----do	26.40	71.60	66.10	69.80	69.60	75.00
Flaxseed (bushel)-----do	1.65	5.54	3.41	3.77	3.80	4.69
Oats (bushel)-----do	\$.399	.852	.775	.800	.835	\$.944
Rye (bushel)-----do	.587	1.82	1.46	1.77	1.73	1.67
Sorghum, grain (100 lb.)-----do	\$ 1.21	2.53	2.12	2.90	3.02	\$ 2.86
Soybeans (bushel)-----do	1.00	2.84	2.59	3.05	2.83	2.84
Sweetpotatoes (bushel)-----do	.902	2.36	2.87	4.10	3.35	2.56
Beef cattle (100 lb.)-----do	7.36	20.20	29.20	24.90	23.80	20.90
All chickens (pound)-----cents	11.3	29.3	26.4	26.5	26.3	32.1
Eggs (dozen)-----do	\$ 21.5	46.6	55.0	48.3	48.7	\$ 50.8
Hogs (100 lb.)-----dollars	7.49	21.90	19.80	20.90	19.10	21.30
Lambs (100 lb.)-----do	8.09	21.90	29.70	25.60	24.10	23.00
Veal calves (100 lb.)-----do	8.21	22.60	32.10	27.40	26.00	23.30
Oranges, on tree (box)-----do	\$ 2.29	1.23	1.63	1.06	1.67	\$ 3.54
Apples (bushel)-----do	.991	2.39	2.01	2.73	2.56	2.81
Hay, baled (ton)-----do	\$ 11.87	22.40	21.30	24.10	25.00	\$ 28.00

¹ Adjusted base period prices 1910-14, based on 120-month average January 1942-December 1951 unless otherwise noted.

² Parity prices are computed under the provisions of title III, subtitle A, section 301 (a) of the Agricultural Adjustment Act of 1938 as amended by the Agricultural Acts of 1948 and 1949.

³ 60-month average, August 1909-July 1914.

⁴ 10-season average 1919-28.

⁵ Transitional parity, 85 percent of parity price computed under formula in use prior to Jan. 1, 1950.

⁶ Prices received by farmers are estimates for the month.

⁷ Preliminary.

Land Values Not Rising So Fast

THE rise in the value of farm real estate since the outbreak of war in Korea has lost most of its steam. In the first 12 months after the war in Korea began, prices of farm property climbed 17 percent; in the second year, only 5 percent. Average values per acre for the United States rose 1 percent from March 1 to July 1 of this year, half as much as in the preceding 4

months, a fifth as much as in March-July of 1951.

The number of farms sold continues to decline as it has most of the time since 1946-47. During the year ending in March 1952, voluntary sales amounted to only 37.5 farms per 1,000, 5 percent less than in the previous year and a third less than the postwar peak. Very few farms are changing hands through foreclosures or tax sales. In several important farming areas interest on the part of buyers has picked up in the last few months, but relatively little land is for sale.

The general stability of prices over the last several months is probably the main factor that has checked the rise in land prices.

Economic Trends Affecting Agriculture

Year and month	Industrial production (1935-39=100) ¹	Total income of industrial workers (1935-39=100) ²	Average earnings of factory workers per worker (1910-14=100)	Whole-sale prices of all commodities (1910-14=100) ³	Index numbers of prices paid by farmers (1910-14=100)			Index numbers of prices received by farmers (1910-14=100)			
					Com-modities	Wage rates for hired farm labor ⁴	Com-modities, interest, taxes, and wage rates	Livestock and products			
								Dairy products	Poul-try and eggs	Meat ani-mals	All live-stock
1910-14 average.	58	50	100	100	100	100	100	100	100	100	100
1915-19 average.	72	90	152	158	149	147	148	147	153	162	157
1920-24 average.	75	122	221	160	159	181	168	159	163	121	140
1925-29 average.	98	129	232	143	151	184	161	161	155	145	152
1930-34 average.	74	78	179	107	117	121	124	105	94	83	91
1935-39 average.	100	100	199	118	124	121	125	119	108	117	115
1940-44 average.	192	237	315	139	148	211	152	169	145	166	162
1945-49 average.	186	317	431	204	219	407	229	264	213	291	265
1950 average.	200	369	516	236	246	425	255	247	181	340	278
1951 average.	220	425	566	263	271	470	281	284	226	411	335
<i>1961</i>											
September	218	429	571	259	271	476	282	283	247	411	337
October	218	425	570	260	272	476	283	294	247	410	340
November	219	426	575	260	274	476	284	305	249	387	332
December	218	435	587	260	273	476	284	314	233	379	328
<i>1962</i>											
January	221	429	584	254	275	498	287	316	200	376	320
February	222	430	584	253	276	498	288	317	181	377	317
March	221	431	588	252	275	498	288	305	177	372	310
April	216	422	573	251	276	510	289	291	180	372	306
May	211	421	580	251	276	510	289	281	175	394	313
June	204	411	584	250	273	510	286	277	181	380	306
July	193	396	573	251	273	506	286	286	208	376	312
August	215		582	252	274	506	287	295	225	372	316
September					271	506	284	307	227	349	309

Year and month	Index numbers of prices received by farmers (1910-14=100)								Parity ratio ⁵
	Crops							All crops and live-stock	
	Food grains	Feed grains and hay	To-bacco	Cotton	Oil-bearing crops	Fruit	Truck crops		
1910-14 average	100	100	100	100	100	100	-----	100	100
1915-19 average	193	161	183	175	201	126	-----	171	164
1920-24 average	147	125	189	197	155	157	7 152	162	160
1925-29 average	141	118	169	150	135	146	145	143	143
1930-34 average	70	76	117	77	78	98	104	84	88
1935-39 average	94	95	172	87	113	95	95	99	107
1940-44 average	123	119	241	138	170	150	164	145	154
1945-49 average	222	205	377	240	289	216	206	234	250
1950 average	224	187	402	280	276	200	185	232	256
1951 average	243	220	436	335	339	193	239	264	302
1951									
September	233	216	423	283	288	201	161	239	291
October	239	219	445	304	296	188	171	247	296
November	249	224	424	345	307	172	249	267	301
December	253	233	440	339	309	177	331	280	305
1952									
January	251	234	431	325	303	171	337	277	300
February	249	230	436	313	296	168	217	259	289
March	251	229	435	309	284	176	265	265	288
April	250	229	435	313	279	179	308	272	290
May	245	227	436	303	280	190	285	270	293
June	238	226	437	319	289	220	250	277	292
July	230	227	436	311	307	214	287	276	295
August	236	233	436	319	310	206	229	272	295
September	240	234	428	329	305	200	182	264	288

¹ Federal Reserve Board: represents output of mining and manufacturing; monthly data adjusted for seasonal variation.

² Computed from data furnished by Bureau of Labor Statistics and Interstate Commerce Commission on payrolls in mining, manufacturing, and transportation; monthly data adjusted for seasonal variation. Revised January 1950.

³ Bureau of Labor Statistics.
⁴ Farm wage rates simple averages of quarterly data, seasonally adjusted.
⁵ Revised.
 Ratio of index of prices received to index of prices paid, interest, taxes, and wage rates. This parity ratio will not necessarily be identical to a weighted average percent of parity for all farm products, largely because parity prices for some products are on a transitional basis.

Outlook Highlights

(Continued from page 10)

UNITED STATES
DEPARTMENT OF AGRICULTURE
BUREAU OF AGRICULTURAL ECONOMICS
WASHINGTON 25, D. C.
OFFICIAL BUSINESS

Dry Beans and Peas

Prices for dry beans and peas in the next few months are expected to be substantially higher than in corresponding months last year. Total supplies are substantially smaller and domestic demand is expected to remain at about the 1951 level. Although yields are not as high as last year, the drop in production of dry beans and peas is primarily due to the drop in acreage.

Wool

The 1952-53 wool-selling season opened on September 1 in Australia. At the opening sales, wool prices ranged between 5 and 10 percent below the closing prices of last June. The opening prices, however, ranged between 15 and 20 percent above the low levels of last March.

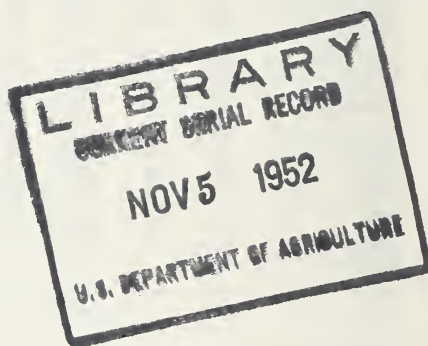
Imports of dutiable wool through July totaled 141 million pounds, clean basis, about 41 million pounds less than a year earlier. Imports of duty-free wools having the same months amounted to 59 million pounds, compared with 72 million a year earlier.

Tobacco

The *flue-cured* tobacco crop, according to indications in September, may total 1,380 million pounds—5 percent less than the record 1951 crop. Total supplies for 1952-53 will be a little larger than for 1951-52 since the carry-over is above that of a year ago.

The September 1 indication for *burley* was 606 million pounds—2 percent lower than last year's record crop. The October 1 carry-over will be larger than a year earlier, and the 1952-53 total supply probably will be around 5 percent above the 1951-52 level.

Auctions for *fire-cured* and *dark air-cured* types begin in the late fall and the first of the year. The 1952 production of these types is smaller than last year and their carry-overs also seem likely to be a little lower.



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